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C O N F I D E N T I A L BELMOPAN 000388

SIPDIS

WHA/CEN (ROIS BEAL)

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TAGS: [PREL](#) [PGOV](#) [BH](#)  
SUBJECT: BELIZE, A RETURN TO THE PAST?

Classified By: Ambassador Rober Dieter for reasons 1.4(b) and (d)

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Summary  
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¶1. (C) Discussions of misappropriation and mismanagement in the Ministry of Economic Development,s leading foreign trade organization and allegations of ministerial level corruption developed further last week. Today,s Cabinet meeting will determine the outcome according to the CEO of the Ministry of Economic Development. The Prime Minister,s actions should be a strong indicator of whether he intends to follow through on his campaign pledge to not tolerate corruption ) even in his own party. End Summary.

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Background  
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¶2. (C) BELTRAIDE, Belize,s Trade and Investment Development Service, markets, coordinates, and assists in the development of foreign investment in Belize - it is the face of Belize to many foreign investors. For several months, BELTRAIDE,s Board of Directors has requested from BELTRAIDE complete accounting records and itemized receipts for significant and unusual expenditures. The American Chamber of Commerce (AmCham) is a member of the Board of Directors of BELTRAIDE. The President of AmCham discovered background information about the Executive Director of BELTRAIDE ) specifically her bankruptcy records in the United States (she is also an American citizen) that further added to the Board,s concerns relating to large unsubstantiated expenditures under her management. The Executive Director is a politically appointed position and the incumbent is the aunt of the Minister of Economic Development (EconDev) under which Ministry BELTRAIDE falls.

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And the Minister too?  
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¶3. (C) According to the President of the American Chamber of Commerce, on Monday August 18, the Board of BELTRAIDE made a collective decision to recommend removing the Executive Director and forwarded the recommendation to the Cabinet. On August 25, the Chairman of the Board of BELTRAIDE "resigned". That same day, the President of AmCham was asked by an official from the Ministry of EconDev to resign. He submitted his resignation on August 27 after a discussion with his long-time acquaintance, the Minister of National Security. During that discussion, the Minister revealed that the Board had not received full financials from BELTRAIDE because those financials were being reviewed by the Cabinet and showed 134,000 USD &missing8 from the BELTRAIDE account since the new government took office in February. The Minister also indicated that the Minister of EconDev possibly

had been spending BELTRAIDE,s money on unofficial travel.

¶4. (C) Econoff spoke to another BELTRAIDE Board member, an AmCham Board member, and the CEO of the Ministry of EconDev who all confirmed the Board,s issues of mismanagement by the Executive Director. However, the conversation between the AmCham President and the Minister of National Security indicate the level of corruption may actually be higher up. According to the CEO of EconDev, the Prime Minister will make a final determination on the future management of BELTRAIDE, at today,s Cabinet meeting. She appeared unaware of the ministerial level issues during our meeting.

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Comment  
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¶5. (C) A prominent malfeasance/mismanagement issue has developed within BELTRAIDE that requires corrective action and, if the Minister level conversations prove true, the corrective action must be taken at a high level. Just this past week, we have seen the resignation of a Senator after chastising a fellow United Democratic Party (UDP) mayor about alleged wrongdoing, the resignation of the Managing Director of the Belize Agricultural Health Authority because she was unwilling to terminate employees on the order of the Minister of Agriculture, and the resignation of several Board members of BELTRAIDE. These incidents show signs of division within the UDP and signs of weakness to the public. The PM has made it clear in the past that he will not tolerate corruption, especially in his own party and has been promoting legislative changes to allow for removal of corrupt high-level officials. These recent examples offer him a clear opportunity to demonstrate whether he means what he says or whether his party will be on a &business as usual8 course similar to the former People,s United Party government. Low-level rumors are leaning toward no action taken at the higher levels. End Comment.  
DIETER